

INSURANCE FACTS

For Michigan Consumers

2005 Buyers' Guide to Home & Renters Insurance

Toll-Free Consumer Assistance Line
877-999-6442

Department of Labor and Economic Growth
Office of Financial and Insurance Services
www.michigan.gov/ofis

Dear Home Insurance Consumer:

Access to affordable home insurance is important for all Michigan consumers. Each year the Michigan Office of Financial and Insurance Services (OFIS) conducts a survey of home insurance companies to find out what they charge for different policies around the state. This rate survey is designed to show how much rates can vary from company to company and to help you find the coverage you want at the best possible rate.

Companies represented in this guide are only those that are subject to Michigan's Essential Insurance Act, which was passed by the legislature in 1979. This Act is designed to make home insurance available to all eligible Michigan citizens at reasonable rates and allows companies to set their own rates without the prior approval of the Commissioner of Financial and Insurance Services. This means that a company can change its rates quickly to respond to the demands of the marketplace.

Because of the many complaints that I have received about unaffordable insurance, I recently conducted a rate disparity study of home and auto insurance rates and released a report on the status of market competition in Michigan. I also included recommendations on how to make these products more affordable for Michigan consumers. These documents are available for review on the OFIS website.

I also initiated a rule that would roll back home and automobile insurance base rates and eliminate the use of credit scoring in the setting of home and auto insurance premiums. Not only isn't the use of credit scoring permitted under Michigan law, I believe that its use in the insurance context is fundamentally unfair. Credit scores do not reduce insurance company losses like antilock brakes and seatbelt use. While the industry has taken me to court on the issue, I believe that we will ultimately score a victory for consumers on this issue.


This rate survey is designed to show how much rates can vary from company to company and to help you find an insurer that will give you the coverage you want at the best possible rate. The rates provided in this survey reflect the rates charged by an insurer on July 1, 2005. A particular insurer may have increased or decreased rates since that date. The rates in the survey do not include any discounts the company may offer, so be sure to ask your agent about any discounts for which you might be eligible when shopping for home insurance. Please refer to page 8 of the survey to see an example of how discounts may affect rates.

Because there are varying factors that affect what you pay for your insurance, it is not possible to show a rate for every situation. Instead, we have chosen four examples to represent various insurance purchasers, and asked insurance companies to provide a rate for each example in the territories listed. By reviewing the rates for the example which most closely fits your insurance needs, and using the worksheets at the end of the survey, you will be able to get a general idea of the price you would be charged by various companies.

The single best suggestion that I can give you as a consumer is to take the time to shop around! Consumers are always amazed at how much money they may be able to save if they take the time to pick up the phone and obtain quotes from a handful of companies. This guide is designed to assist you in making that process as easy as possible.

I hope you will use this guide as a tool when shopping for home insurance. Also, take the time to ask your agent specific questions regarding the policy you want. If you believe you have been unfairly denied coverage while shopping for insurance, we want to know about it. Please call us toll free at 877-999-6442 or file a formal, written complaint with this office.

Sincerely,



Linda A. Watters, Commissioner
Office of Financial and Insurance Services

TABLE OF CONTENTS

Page 1	Who Can Use This Survey; Insurance Eligibility
Page 2	Company Guidelines (Underwriting); Insurance Ineligibility; Rating Territories
Page 3	Definitions
Page 4	Shopping For Coverage
Page 5	Explanation of Home Insurance Coverage Types
Page 6	Things You Can Do To Help With Future Home Insurance Claims
Page 7	How To Reduce Your Premium
Page 8	How Discounts Affect Your Premium
Page 9 & 10 ..	Extra Coverages You Can Purchase
Page 11	How To Use The Survey
Page 12	Summary of Coverages for Examples
The Michigan Home and Renters Insurance Survey:	
Page 13	<i>Example One:</i> HO-6 (Condominium Policy)
Page 16	<i>Example Two:</i> Market Value/Repair Cost Policy
Page 18	<i>Example Three:</i> HO-3
Page 21	<i>Example Four:</i> HO-4 (Renter's Policy)
Page 24-26.....	Home Insurance Worksheets

This consumer's guide is a publication prepared by the Michigan Office of Financial and Insurance Services. You can view more publications by visiting the Office of Financial and Insurance Services web site at

<http://www.michigan.gov/ofis>.

Any insurance consumer who needs help with an insurance problem or who feels he or she is not being treated fairly by an insurer, please call

1-877-999-6442.

WHO CAN USE THIS SURVEY?

The Buyers' Guide is a survey of rates for four sample households *eligible* for home insurance under the law. You are eligible for home insurance if you live in and rent or own one of the following:

✓ a house ✓ a condominium ✓ a cooperative unit ✓ a rented room or an apartment

You are also eligible if you own and live in a dwelling having more than one but not more than four separate living units (such as a duplex).

What About Coverage For ...

Mobile Homes? Policies are similar to those for conventional homes, but have additional provisions specific to mobile homes. For example, they usually include the cost of moving your home to avoid damage from flood, windstorms and other specified perils.

Farms or ranches? Policies are similar to those of homeowners but include special additions for farm or ranch buildings and equipment.

Travel trailers, camping trailers, motor homes? They are insured under automobile or special policies.

INSURANCE ELIGIBILITY

If you are eligible under the law you cannot be denied insurance solely because of the age of your house, its location, or the type of neighborhood you live in. However, you may be considered "ineligible" and can be turned down for insurance if:

- ✓ Within the past 5 years, you have been found guilty of a crime (or an attempt to commit a crime) of arson, the use of explosives, or destroying property.
- ✓ Taxes on the property you want to insure are over 2 years past due.
- ✓ The property you want to insure is used for illegal or dangerous purposes.
- ✓ You refuse to buy the minimum required amount of coverage for the type of policy you want to buy.
- ✓ If your home has a physical condition which presents an extreme likelihood of a significant loss.
- ✓ Within the past 2 years your home insurance has been canceled because of non-payment of premium. This can be overlooked if you pay the entire premium on the policy you are buying in advance.
- ✓ A company requires you to be a member of a group, club or organization and you choose not to join.
- ✓ Within the past 5 years, you have been denied payment of a claim because there was evidence of arson or fraud on your part.

You may be considered "ineligible" for insurance if the value of the property you want to insure does not meet the minimum requirements for the type of policy you want to buy.

REPAIR COST POLICY

The law requires that if you want to buy a policy of this type through the regular market, the insured value of your home must be at least \$15,000.

REPLACEMENT COST POLICY

The law requires that if you want to buy a policy of this type through the regular market, the insured value of your home must be at least \$35,000.

COMPANY GUIDELINES (UNDERWRITING)

Insurance companies also use guidelines, called *underwriting rules*, to help decide if they will insure or continue to insure you even if you are "eligible" by law. The underwriting rules that companies may use are also specified in Michigan law. Each company's rules may be different, but each company must apply its rules in the same way to everyone. These rules may be based on factors such as how well your property is kept up and the amount and/or kind of insurance claims you have made in the past.

INSURANCE INELIGIBILITY

If you find that you are ineligible for home insurance or that you do not meet a company's underwriting rules, you may want to ask your agent to apply to the **Michigan Basic Property Insurance Association (MBPIA)**. The MBPIA was created to provide property insurance to persons who cannot find insurance in the regular market.

If you qualify, you can get an insurance policy through the MBPIA. An MBPIA policy provides basically the same types of coverages as an HO-2 or HO-3 policy from regular companies (see Example 2 and 3).

ANY LICENSED AGENT CAN HELP YOU OBTAIN INSURANCE THROUGH MBPIA.

RATING TERRITORIES

The location of your home can make a difference in what you pay for home insurance in two ways:

- 1) The law allows insurance companies to divide the state into *rating territories*. Each company defines its territories differently. For this rate survey, cities or locations were chosen to represent the different parts of the state.
- 2) Your area's *fire protection class* also has an effect on your home insurance rate. Fire protection class is a rating based on the availability and type of fire protection in an area. Class 1 is the most protected area and Class 10 is an unprotected area. The fire protection class of each area is shown in parentheses with sample premium chart abbreviations following:

Cheboygan (7) CHE	Lansing (3) LAN
Clare (6) CLA	Livonia (4) LIV
Dearborn (3) DEA	Marquette (5) MAR
Detroit (2) DET	Saginaw (3) SAG
Flint (3) FLI	Southfield (4) SFLD
Grand Rapids (3) GRA	Traverse City (5) TCTY
Kalamazoo (3) KAL	Warren (4) WAR

Use the rates for the part of the state and fire protection class that most closely resembles the area in which you live.

DEFINITIONS

Homeowner Policies – property insurance policies that provide a package of coverage such as property damage protection, liability insurance, coverage for additional living expenses, etc.

- The different types of homeowner policies are typically identified by a form number such as a “Homeowners Form 2” or an “HO-3” (please see the box at the bottom of this page).
- Depending on the form, coverage for the building, its contents or both is provided against “all risks” or against “named perils.”
- Settlements are made, up to the selected limits of the policy, on a “replacement cost”, “repair cost” or “actual cash value” basis.

All Risk – coverage against “all risks” means that losses are covered for any reason except for those few specifically excluded in the policy. Those risks excluded could be items such as flood, war, collapse, water and sewer backup.

Named Perils – coverage against “named perils” means that only losses from the perils listed in the policy are covered. These include fire, theft, smoke, lightning, riot, explosion, wind, falling objects, vandalism, etc.

Replacement Cost – the cost necessary to replace, repair or rebuild damaged property to its original condition with materials of the same kind and quality. For example, a hardwood floor would be repaired or replaced with the same kind of wood.

Repair Cost – the cost necessary to replace, repair or rebuild damaged property to a condition similar to what it was before the damage, using modern materials. For example, plaster walls may be replaced with drywall. The maximum amount the insured is able to collect may not be enough to repair or replace the property to its original condition.

Actual Cash Value (ACV) – the current replacement value of property less depreciation.

In this survey, examples are provided that would be covered under the following types of policies:

- ➡ an HO-6 = condominium (example 1, page 13).
- ➡ a “market value” or “repair cost” policy (example 2, page 16).
- ➡ an HO-3 = all risk (example 3, page 18).
- ➡ an HO-4 = renters (example 4, page 21).

Please refer to the examples for a detailed explanation of these types of policies.

SHOPPING FOR COVERAGE

Information You'll Need

To get an accurate quote, you will usually need this information:

- ✓ Coverage and limits you want
- ✓ Description of your home
- ✓ Loss history
- ✓ Square footage
- ✓ Fire and security devices
- ✓ Distance from the nearest fire department and hydrant

Questions to Ask

- ✓ How much would I save if I increase my deductible?
- ✓ What is not covered?
- ✓ Is my coverage replacement cost or repair cost?
- ✓ Does coverage include water damage or sewer back-up?
- ✓ Does the policy cover my jewelry, antiques, or special collections?
- ✓ What other special coverages are available?
- ✓ What proof do I need in case of a loss?
- ✓ What discounts might I be eligible for?

EXPLANATION OF HOME INSURANCE COVERAGE TYPES

Policy forms described in this survey include the following kinds of coverages:

Dwelling (Coverage A)

Protects against loss to the structure of the dwelling. Except for the market value or repair cost policy described in Example 2 (see page 16), a loss which occurs to an insured dwelling is typically settled on a *replacement cost basis*.

Appurtenant Structures (Coverage B)

Other structures on the property, such as a detached garage, are covered for up to 10 percent of the dwelling amount.

Contents (Coverage C)

This coverage protects against loss to personal property in amounts which vary, depending on the policy form. Covered loss of personal property is usually settled on an *actual cash value basis*. However, many companies now offer replacement cost on personal property.

- **Off-Premises Loss**

There is also protection against loss to personal property while away from the premises, such as property left in a car or hotel room. The maximum paid under this coverage is equal to 10 percent of the contents coverage amount.

- **Special Items**

There are special limits on coverage for certain items such as money, jewelry, computers or furs. These limits vary by company and do not increase the total amount of coverage under the policy.

Additional Living Expenses (Coverage D)

This coverage pays for additional living expenses which may be incurred because of the loss to the property.

For example, if your home is partly destroyed by fire and you must live in a hotel temporarily, this coverage will pay you the difference between what it costs you to live in your home and what it costs you to live in a hotel.

The limit of coverage for the loss of use of your home varies by company and may be based either on a percentage of total coverage or a specified length of time (e.g., six months).

Liability (Coverage E)

This coverage provides protection against lawsuits, for example, from someone being injured on your property. In addition, the coverage will pay to defend you if you are sued.

The basic amount of coverage depends on the type of policy purchased, but extra coverage may be purchased for an additional premium.

Medical Payments (Coverage F)

This coverage pays for immediate care, such as first aid, ambulance charge, etc., for someone who is hurt on your property. The amount of coverage offered depends on the company.

Property of Others (Coverage G)

Depending on the company, up to \$500 in replacement cost coverage is provided for physical damage to the property of others that is caused by the insured.

Loss Assessment (Condominiums Only)

This coverage generally pays up to \$1,000 for a condominium owner's share of a loss assessment charged by the corporation or association of property owners, when the assessment is made as a result of loss to property owned by all members collectively.

Things You Can Do To Help With Future Home Insurance Claims

Don't make a tragedy worse.

The Jones family returned from a night out to find their 3-bedroom home had burned down. Their policy burned down with it and they had no proof of what their home contained. Trying to reconstruct the contents as well as the value of all the items in their home only intensified their nightmare. To this day, they are certain they did not recover nearly what they were due.

Don't let this happen to you.

Take steps now to facilitate the processing of any future claims:

- ✓ Make a written inventory of the contents of your home, and if possible, a room-by-room videotape (include closet interiors).
- ✓ Take photos of the outside of your home from several angles.
- ✓ Obtain appraisals of special valuables, such as antiques, jewelry, stamps, coins and other collections.
- ✓ Keep your policy in a safe deposit box along with the photos and appraisals or put them in a secondary location – for example, your office or a relative's or friend's home.
- ✓ Update your records periodically – at least once every three to four years.

HOW TO REDUCE YOUR PREMIUM

The rates in this survey have been determined using only the rating factors specified in each example. However, there are ways to further reduce your premium.

Increased Deductibles

Increasing your deductible can make a significant difference in the cost of our policy. Choose the largest deductible your budget can handle.

Safety Features

Many companies offer discounts for installing smoke detectors, fire extinguishers and other safety devices such as burglar alarms and heavy duty locks. If your home has these features, check with your agent about the discount options available.

Group Discounts

Several companies also offer home insurance at reduced rates to members of qualified groups, organizations, and trade or business associations.

Members of credit unions and employees of certain businesses may also be eligible for group insurance rates.

If you are a member of one of these types of groups, ask your agent if you qualify for group home insurance.

Senior Citizens

Many companies offer a discount on home insurance to senior citizens over 55 years of age. If you qualify, check with your agent to see if this discount is available from your company.

Remember: Insurance companies can develop any type of discount for any group they feel may experience reduced losses, or expenses. It is critical when shopping for home insurance to ask for all the discounts the company offers.

Discount amounts vary depending on the insurance company so SHOP AROUND!

HOW DISCOUNTS AFFECT YOUR PREMIUM

In the example below, a standard base rate has been chosen from one company in our consumer guide. All consumer guide rates are base rates, without discounts applied. This rate represents what a person in Detroit may have to pay for an HO-3 policy, which is found in example 3 of the guide, if they do not qualify for any discounts.

Once all the discounts are applied separately to the base rate, our example shows how dramatically the premium has changed. In this particular example, the mature discount is applied after each discount has been applied and that total deducted. You may not qualify for each of the discounts offered in this example, or your particular insurance company may not offer all of these discounts. Some offer more discounts. The example simply illustrates how important it is for each homeowner to shop for coverage with several different companies, and inquire about all discounts for which they may qualify with a company.

Base Premium		\$1510
Smoke Detector Discount	2%	-30
Deadbolt Lock Discount	2%	-30
Fire Extinguisher Discount	2%	-30
New Home Discount (New)	20%	-302
Auto/Home Multi-policy Discount	17%	-257
Life/Home Multi-policy Discount	5%	-76
Insurance Score 7	6%	<u>-91</u>
Subtotal premium		\$694
Mature 55-64 Discount	3%	<u>21</u>
Final Premium		\$673

This particular company offers several levels of discounts for a new home. For example, a 2 year old home still has a discount, but it is somewhat lower each year, until the home reaches 10 years of age at which time the discount will end.

The Insurance Score discount is the amount of discount given for the insureds credit score. A score of “7” is a medium range discount. This company has scores ranging from “0” to “10.” However, each company uses a different scoring methodology for the credit score and you will need to ask what your score may be and what discount is available.

EXTRA COVERAGES YOU CAN PURCHASE

There are many additional coverages available that aren't included in the examples. Some additional coverages you may wish to consider are:

Additional Replacement Cost Coverage

Additional replacement cost coverage for the dwelling may be purchased as additional coverage under certain types of homeowners policies. Under this coverage, the company guarantees that you will be protected for the full replacement cost of the house, even if that amount is higher than the policy limit. Some companies refer to this coverage as “extra expense” coverage or “guaranteed replacement cost” coverage. Check with the agent to find out the specific limits of this additional coverage.

Debris Removal

If debris removal expense plus damage to property is more than the limit of coverage selected, an additional 5 percent of the coverage limit may be available for debris removal.

Tree Removal

This coverage will pay to have damaged trees removed; the standard limit is \$500. Many companies require the tree to have actually fallen or caused damage to other property due to a covered peril before they provide the coverage.

Trees, Shrubs and Other Plants

This coverage will pay the cost to replace damaged trees, shrubs and other plants; the standard limit is \$500 per item up to an aggregate limit.

Fire Department Service Charge

This coverage pays this expense when applicable; the standard limit is \$500.

Credit Card, Fund Transfer Card Forgery, Counterfeit Money

This coverage protects against the fraudulent use of credit cards or fund transfer (money machine) cards or reimburses you if you accidentally receive counterfeit money; the standard limit is \$500.

Ordinance and Law Coverage

This coverage can be very important if you own a home that is not relatively new. It provides extra coverage if your home is partially damaged and cannot be rebuilt to its original condition because of changes in the local building codes. The insurance company **will not** pay for the upgrades unless you have this additional coverage. The standard limit is 10% of the total dwelling coverage amount, but some companies will allow you to purchase larger amounts.

Personal Property Floaters

This coverage provides extra insurance, up to the value of the insured property, for items that exceed the amount listed for such property in your regular policy. You may need to purchase this additional coverage for items such as expensive jewelry, cameras, collections, laptop computers, or rare antiques. Most insurers require you to have such items appraised to determine their value at the time you purchase the insurance.

Flood Insurance

Your regular home insurance policy does not contain coverage for flood damage to your home and contents. You must purchase an additional flood insurance policy from your home insurance company or the federal government to get this coverage. Your agent should be able to advise you about how to purchase this coverage, as well as the amount of coverage you need.

HOW TO USE THE SURVEY

- Step 1** Determine which city most accurately represents the area in which you live, both in terms of fire protection class and location in the state.
- Step 2** Read the description of the four examples in the survey and choose the one which best describes your household.
- Step 3** Look at the premiums for the example you have chosen under the territory which best represents your area.
- Step 4** Compare these premiums with what you are paying for your insurance. If some are lower than your current rate, it may be an indication that you need to start shopping!
- Step 5** When you have chosen some companies to compare, check your phone pages. You should be able to find several different agents or companies to call for quotes. While not all companies have offices in all areas of the state, keep in mind that some independent agents represent several different companies.

The companies in this rate comparison are a representative sample of companies subject to the provisions of the Essential Insurance Act (EIA). There are a few companies in the state that are *exempt* from the EIA due to size or to the limited amount of home insurance business written in Michigan. Exempt companies are not included in this comparison because their rating and underwriting practices may be dramatically different from companies that are subject to the EIA. Likewise, insurers who write “group” insurance policies are also not subject to EIA and are not included in this rate survey.

THE SAMPLE HOUSEHOLDS

- There are four sample households in this survey.
- The summary on page 12 outlines the various coverages and limits provided under each type of policy.
- Annual premiums for the policy described in each example are listed, by territory, on the pages following the example.
- Read each example. This will acquaint you with several different kinds of policies and coverages, and some of the rules that pertain to them.
- Knowing about the insurance products that are available can help you buy a policy tailored to your own needs.

EXAMPLE ONE

A condominium insured for \$50,000 under a Homeowners Form 6 or an "HO-6" policy

An HO-6 is a condominium policy. It provides coverages similar to a renter's policy (see example 4) since the limit chosen is based on the value of the owner's personal property or contents. An HO-6, however, also provides coverage for that part of the *dwelling* that belongs to the condominium owner. This includes alterations, appliances, fixtures and improvements that are part of the building or are contained within the building.

An HO-6 also covers property that is the condominium owner's responsibility to insure under a corporation or association of property owners agreement. In this type of policy both the dwelling and the contents are covered against *named perils*.

Following a covered loss to the contents, settlement is made on the basis of *actual cash value*. A loss to the dwelling is made on a *replacement cost basis*.

The amount of coverage on the face of this policy is \$50,000. However, the amounts in coverages A and D through G (see page 5) are provided *in addition to* the amount that would be paid for loss of the contents.

If the insured in this example suffers a loss of \$50,000 to personal property, and \$5,000 to the part of the dwelling that the insured owns, he or she could collect \$55,000 plus additional living expenses, if necessary.

Cheboygan (7) CHE
Clare (6) CLA
Dearborn (3) DEA
Detroit (2) DET
Flint (3) FLI
Grand Rapids (3) GRA
Kalamazoo (3) KAL

Lansing (3) LAN
Livonia (4) LIV
Marquette (5) MAR
Saginaw (3) SAG
Southfield (4) SFLD
Traverse City (5) TCTY
Warren (4) WAR

EXAMPLE TWO

A single-family house with a market value of \$50,000 and a replacement cost of \$100,000, insured under a “Market Value” or “Repair Cost” policy

This type of policy provides an amount of coverage on the dwelling that is *limited to 100 percent of the value of the home on the open market*. In this example that amount would be \$50,000. Under a market value policy, both the dwelling and contents are covered against *named perils*.

A covered loss to the dwelling is settled on a *repair cost* basis up to the maximum limit of the policy. This is why it is sometimes referred to as a "repair cost policy." Covered property losses are settled on the basis of *actual cash value*.

The replacement cost of the home in this example is \$100,000. An insured may not want or need to purchase \$100,000 of coverage on a house with a market value of only \$50,000. For this reason, a market value policy may be a more reasonable option than a replacement cost policy.

Also, some insurers do not want to insure a home on a replacement cost basis when the replacement cost is considerably larger than the market value of the property. This is because in the event of a total or near-total loss the policyholder could receive a settlement amount much greater than the home's actual worth. *If an insurer does not offer a replacement cost policy for this reason, the insurer must offer a market value policy.*

The amount of coverage on the face of this policy is \$50,000. However, the amounts in coverages B through G (see page 5) are provided *in addition to* the amount that would be paid for loss to the building. If the insured suffers a loss of \$50,000 to the building, \$15,000 to the contents and \$3,500 to the garage, he or she could collect \$68,500.

For an increased premium some companies offer a market value policy that is similar to a Homeowners Form 3 or an HO-3 policy (see Example 3). The dwelling is then covered against "*all risks*."

Cheboygan (7) CHE
Clare (6) CLA
Dearborn (3) DEA
Detroit (2) DET
Flint (3) FLI

Grand Rapids (3) GRA
Kalamazoo (3) KAL
Lansing (3) LAN
Livonia (4) LIV
Marquette (5) MAR

Saginaw (3) SAG
Southfield (4) SFLD
Traverse City (5) TCTY
Warren (4) WAR

EXAMPLE THREE

A single-family house insured for \$100,000 under a Homeowners Form 3 or an “HO-3” policy

Under an HO-3, the dwelling is covered against *all risks* or perils except those specifically excluded in the policy and the contents are covered against *named perils*. A loss to the dwelling is settled on a *replacement cost* basis. Personal property losses are settled on the basis of *actual cash value*.

Because an HO-3 provides coverage against all types of risks to the dwelling except for those specifically excluded in the policy, it is sometimes considered to be a “deluxe” policy. Depending on the company, the policy may have some special added coverages or limits. In order to purchase this type of policy, the insurer may require an insured to purchase an amount of coverage equal to at least 70 percent of the homes full replacement cost.

The amount of coverage on the face of this policy is \$100,000. However, the amounts in coverages B through G (see page 5) are provided *in addition to* the amount that would be paid for loss to the dwelling.

If the insured in this example suffers a loss of \$100,000 to the dwelling, \$40,000 to the contents and \$7,000 to an unattached garage, he or she could collect \$147,000 plus additional living expenses, if necessary.

Cheboygan (7) CHE

Clare (6) CLA

Dearborn (3) DEA

Detroit (2) DET

Flint (3) FLI

Grand Rapids (3) GRA

Kalamazoo (3) KAL

Lansing (3) LAN

Livonia (4) LIV

Marquette (5) MAR

Saginaw (3) SAG

Southfield (4) SFLD

Traverse City (5) TCTY

Warren (4) WAR

EXAMPLE FOUR

A rental unit in a duplex, a rented house, an apartment or dormitory insured under a Homeowners Form 4 or an "HO-4" policy

A person who doesn't own the building, but wants liability protection and comprehensive protection against loss to personal property in a rented living space can be insured under an HO-4 policy.

An HO-4 does not provide coverage on the building or appurtenant structures, but provides other coverages similar to a homeowners policy. Personal property is covered against *named perils* and personal property losses are settled on the basis of *actual cash value*.

The amount of coverage on the face of the policy is \$40,000. The amounts in coverages B through G (see page 5) are provided *in addition to* the amount that would be paid for loss to the contents.

For example, if the insured suffers a loss of \$20,000 to his or her personal property, he or she could collect \$20,000 plus an amount necessary, up to the policy limit, for additional living expenses.

Cheboygan (7) CHE

Clare (6) CLA

Dearborn (3) DEA

Detroit (2) DET

Flint (3) FLI

Grand Rapids (3) GRA

Kalamazoo (3) KAL

Lansing (3) LAN

Livonia (4) LIV

Marquette (5) MAR

Saginaw (3) SAG

Southfield (4) SFLD

Traverse City (5) TCTY

Warren (4) WAR

INSURANCE WORKSHEET FOR HOMEOWNERS

Use this chart to compare the quotes you receive from insurers and to explore the options available to you. All of the coverages listed below would usually be available in a home insurance replacement cost policy and would not result in higher premiums. To accurately compare policies, you will need to indicate what each company includes for each of the coverages in their policy limits. For example, Company A may have a \$500 standard deductible, while Company B may have a \$1000 deductible for the same total premium. To make accurate comparisons you will need to make sure all values are equal or decide which items you are willing to pay more for if you increase the limit.

Coverage (HO-2 or HO-3)	Company A	Company B	Company C	Company D
Home Repair Cost (HO-2) or Replacement Cost (HO-3) policy limit.				
Personal Liability				
Deductible				
The following items are usually included in the policy for no additional cost but amount of coverage varies from company to company. However, you may be able to purchase higher limits for an additional premium in some categories.				
Appurtenant Structures (unattached garage, outbuildings, etc.)				
Contents*				
Off Premises contents				
Additional Living Expense				
Medical Payments				
Property of Others				
Annual Premium:				

* An HO-3 may have either replacement cost or actual cash value settlement options for contents. An HO-2 usually has only an actual cash value settlement. In order to make a complete comparison among policies be sure to identify which settlement option the issuer uses for contents. Replacement cost content policies may be somewhat more expensive.

INSURANCE WORKSHEET FOR HOMEOWNERS

(CONTINUED)

The chart below lists optional coverages that you can usually purchase for a fee with your home insurance policy. You will have to determine what coverage is most appropriate for your particular lifestyle.

Please see Page 9 for a description of these coverages.

Coverage	Company A	Company B	Company C	Company D
Guaranteed Replacement Cost	\$	\$	\$	\$
Ordinance and Law Coverage	\$	\$	\$	\$
Debris Removal	\$	\$	\$	\$
Credit Card, fund transfer, counterfeit money	\$	\$	\$	\$
Sewer and Drain backup	\$	\$	\$	\$
Scheduled Personal Property	\$	\$	\$	\$
Tree Removal	\$	\$	\$	\$
Trees, shrubs and other plants	\$	\$	\$	\$
Fire department service charge	\$	\$	\$	\$
Other				
Additional Premium:	\$	\$	\$	\$

INSURANCE WORKSHEET FOR CONDOMINIUM OWNERS (HO-6) AND RENTERS (HO-4)

Coverage (HO-4 or HO-6)	Company A _____	Company B _____	Company C _____	Company D _____
Dwelling Coverage (HO-6 only)				
Contents (Replacement Cost or Actual Cash Value)				
Personal Liability Amount				
Standard Deductible Amount				
Off Premises contents				
Additional Living Expense				
Medical Payments				
Property of Others				
Loss Assessment (HO-6 only)				
Discounts Offered by Company-List each discount for which you qualify and the amount it will reduce your premium.				
These are additional coverage options you can purchase with your HO-6 or HO-4 insurance policy. Each option will add premium to the standard policy cost. You will have to determine what coverage is most appropriate for your particular lifestyle. Please see Page 9 for a description of these coverages.				
Credit Card, fund transfer, counterfeit money				
Scheduled Personal Property				
Others				
Annual Premium:				

Office of Financial and Insurance Services

P.O. Box 30220

Lansing, MI 48909-7720

Toll Free (877) 999-6442

Lansing Area (517) 373-0220



Michigan Department of Labor & Economic Growth

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